

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, CA 95814



April 18, 2001

Regulation Packages #0699-13 and 0301-04

CDSS MANUAL LETTER NO. EAS-01-03

TO: HOLDERS OF THE EAS MANUAL, DIVISIONS 42 and 44

**Regulation Package #0699-13****Effective 4/1/01****Sections 42-710, 42-711, and 42-716**

These amendments specify that the allowable activities after the 18-/24-month time limit on aid are unsubsidized employment and/or community service activities, including grant-based on-the-job training (OJT) and unpaid community service.

These amendments require participants in unpaid community service whose assistance units include food stamp recipients to participate in community service activities for the hours each month equal to the lesser of the number of hours required by Section 42-711.4, less the number of hours spent in unsubsidized employment and grant-based OJT; or the number of hours equal to the assistance unit's CalWORKs grant plus the assistance unit's portion of the food stamp allotment divided by the higher of the state or federal minimum wage.

These amendments also require participants in unpaid community service whose assistance units do not include food stamp recipients to participate in community service activities for the number of hours each month equal to for the lesser of the number of hours required by Section 42-711.4, less the number of hours spent in unsubsidized employment and grant-based OJT; or the number of hours equal to the assistance unit's CalWORKs grant divided by the higher of the state or federal minimum wage.

Finally, hours of participation in work experience and unpaid community service are clarified.

These regulations were adopted on an emergency basis effective April 1, 2001 and will be considered at the Department's public hearing held on May 16, 2001.

**Regulation Package #0301-04****Effective 4/1/01****Sections 42-701, 42-716, and 44-111**

The attached regulations implement and make specific Assembly Bill (AB) 1233 (Chapter 933, Statutes of 2000). The regulations 1) provide a voluntary alternative to unpaid community service placements after the 18- or 24-month time limit, which many CalWORKs Welfare-to-Work participants are now reaching; 2) ensure that CalWORKs Welfare-to-Work participants are assigned to grant-based OJT only on a voluntary basis, and 3) establish notification requirements, so that CalWORKs Welfare-to-Work participants are advised of the impact grant-based OJT may have on their income, before they volunteer for the assignment.

These regulations were adopted on an emergency basis effective April 1, 2001 and will be considered at the Department's public hearing held on May 23, 2001.

## **FILING INSTRUCTIONS**

**Revisions to all manuals are shown in graphic screen.** The attached pages are to be entered in your copy of the Manual of Policies and Procedures. The latest prior manual letter containing EAS changes was EAS-01-02.

### Page(s)

221.1  
224 through 227  
238 through 241  
253.7 through 255  
258 through 259.4  
384 and 385  
396 and 397

### Replace(s)

Page 221.1  
Page 224 through 227  
Pages 238 through 241  
Pages 253.7 through 255  
Pages 258 and 259  
Pages 384 and 385  
Pages 396 and 397

Attachment

JTP

<b>42-701</b>	<b>INTRODUCTION TO WELFARE-TO-WORK</b>	<b>42-701</b>
	(Continued)	

- (F) Adults or minors who are or formerly were related by marriage;
- (G) Adults or minors who are engaged or were formerly engaged to be married;
- (H) Persons who have a child in common;
- (5) Domestic abuse is also abuse perpetrated:
  - (A) Against minor children of persons in Sections 42-701.2(d)(4)(A) through (H); or
  - (B) When an adult or minor acts in concert with or on behalf of a perpetrator in a relationship identified in Sections 42-701.2(d)(4)(A) through (H).
- (e) (1) "Employment" means work that is compensated at least at the applicable state or federal minimum wage. If neither wage rate applies, the work must be compensated in an amount equivalent to the lesser of the two.
- (2) "Exempt" means that a CalWORKs applicant or recipient is not required to participate in Welfare-to-Work activities as a condition of eligibility for aid.
- (f) (1) "Fixed-Unit Price" means a set fee or price for a single component or group of services that achieve a specific goal.
- (g) (1) "GAIN" means Greater Avenues for Independence.
- (2) "Grant-Based On-The-Job Training (OJT)" is a funding mechanism for subsidized public or private sector employment or OJT in which the recipient's cash grant, or a portion thereof, or the aid grant savings resulting from employment, or both, is diverted to the employer as a wage subsidy to partially or wholly offset the payment of wages to the participant, so long as the total amount diverted does not exceed the family's maximum aid payment. Grant-based OJT may include community service positions.

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<b>42-702</b>	<b>CALWORKS WELFARE-TO-WORK ENROLLMENT REQUIREMENTS</b>	<b>42-702</b>
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- .1 An individual who was receiving aid in the month prior to the implementation date of CalWORKs Welfare-to-Work Program in the county shall be enrolled in the Welfare-to-Work Program no later than January 1, 1999.
- .11 The CWD may require an existing GAIN participant to enter into a new welfare-to-work plan prior to completion of the activities in the GAIN contract in which the individual is satisfactorily participating. New requirements (including, but not limited to, hours and/or activities) and services may be added to those in the contract, but no assignment(s) may be withdrawn prior to completion without the participant's written consent.
- .2 An individual whose beginning date of aid is in the month that the CalWORKs Welfare-to-Work Program is implemented in the county, or thereafter, shall be enrolled by the CWD at the time when the application for aid is granted. An individual who volunteers to participate before the application is granted shall be enrolled at the time he or she volunteers.
- .3 Enrollment is defined as sending an individual a notice that he or she is scheduled for a welfare-to-work appraisal or that he or she is required to convert their GAIN contract to a welfare-to-work plan, as appropriate.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10532(c) and 11322.8, Welfare and Institutions Code.

<b>42-710</b>	<b>18- AND 24-MONTH TIME LIMITS</b>	<b>42-710</b>
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- .1 Except as otherwise provided in these regulations, a parent or caretaker relative, whose beginning date of aid is in the month that the CalWORKs Welfare-to-Work Program is implemented in the county, or thereafter, is not eligible to receive aid for a cumulative period of more than 18 months, unless: 1) it is certified by the CWD that there is no job currently available for the recipient as specified in Section 42-710.5; and 2) the recipient works in unsubsidized employment and/or participates in community service activities, including grant-based OJT and activities required under Section 42-711.93, .94, and .95, for the required minimum hours in accordance with Section 42-711.4.
- .11 The time-limit period starts on the date the recipient signs, or refuses to sign without good cause, a welfare-to-work plan described in Section 42-711.6 et seq.
- .12 The CWD shall adopt criteria for extending the 18-month time limit for up to six months.
  - .121 The criteria adopted by the CWD shall be used to determine if:
    - (a) an extension is likely to result in unsubsidized employment; or
    - (b) employment is not available due to local employment rates or economic conditions.

<b>42-710</b>	<b>18- AND 24-MONTH TIME LIMITS (Continued)</b>	<b>42-710</b>
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- .122 In determining whether an extension should be granted because it is likely to result in unsubsidized employment or because employment is not available, the CWD also may consider criteria related to the employability of the individual and other relevant factors.
- .2 Except as otherwise provided in these regulations, a parent or caretaker relative, who was receiving aid in the month prior to implementation of the Welfare-to-Work Program in the county, is not eligible to receive aid for a cumulative period of more than 24 months, unless: 1) it is certified by the CWD that there is no job currently available for the recipient as specified in Section 42-710.5; and 2) the recipient works in unsubsidized employment and/or participates in community service activities, including grant-based OJT and activities required under Section 42-711.93, .94, and .95, for the required minimum hours in accordance with Section 42-711.4.
- .21 The time-limit period starts on the date the recipient signs, or refuses to sign without good cause, a welfare-to-work plan described in Section 42-711.6 et seq.
- .3 A parent or caretaker relative recipient who has reached the 18- or 24-month time limit, who is working in unsubsidized employment for less than the required minimum hours, and for whom no job is currently available for the required number of hours, shall remain eligible for aid by participating in community service activities, including grant-based OJT and activities required under Section 42-711.93, .94, and .95, for the additional number of hours necessary to meet the participation requirements in accordance with Section 42-711.4.
- .31 If an individual has received aid for a cumulative period of more than 18 or 24 months, as specified in Section 42-710.1 or .2, as applicable, and returns to aid after a break in aid of at least one month, the CWD shall determine whether to require the individual to participate in community service in accordance with Section 42-711.9 or in welfare-to-work activities described in Section 42-716.
- .4 No month in which aid has been received prior to January 1, 1998 shall be taken into consideration in computing the required 18- or 24-month time limits.
- .5 For purposes of these time limits, "no job is currently available" means that the recipient has taken and continues to take all the steps to apply for appropriate positions and has not refused an offer of employment without good cause.
- .6 A month of receipt of aid shall not count toward the 18- or 24-month time limit period when it is a month in which the individual is:
- .61 Not required to participate in welfare-to-work activities because he/she is exempt from participation, in accordance with Section 42-712 et seq., and the condition is expected to last for at least 30 days,

<b>42-710</b>	<b>18- AND 24-MONTH TIME LIMITS (Continued)</b>	<b>42-710</b>
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- .62 Required to participate in, participating in, or exempt from the Cal-Learn Program, in accordance with Section 42-712.11.
- .63 Sanctioned and removed from the assistance unit in accordance with Section 42-721.4, or,
- .64 Participating in an approved SIP and participation is interrupted for good cause. (See Section 42-711.546.)
- .65 Identified as a past or present victim of domestic abuse and the county has waived the time limit as described in Section 42-713.221.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10532(c)(2), 11320.1(c) and (d), 11320.3(a) and (b), 11322.6(f), 11322.9, 11325.23(c), 11327.5(c), 11454, 11454.5(a), and 11495.1, Welfare and Institutions Code.

<b>42-711</b>	<b>WELFARE-TO-WORK PARTICIPATION REQUIREMENTS</b>	<b>42-711</b>
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.1 Program Information for Applicants

- .11 At the time an individual applies for aid or at the time a recipient's eligibility for aid is determined, the CWD shall do the following:
  - .111 Determine whether the individual is required to participate in welfare-to-work activities.
  - .112 Provide the individual, in writing and orally as necessary, with information including:
    - (a) A general description of education, employment, training opportunities, and the supportive services available, including transitional benefits.
    - (b) A description of the exemptions from required welfare-to-work participation provided in Section 42-712 and the consequences of a failure or refusal to participate in program components if not exempt, pursuant to Section 42-721.3.
- .12 At the time an individual is required to participate in welfare-to-work activities, he or she will receive a written preliminary determination, if applicable, that he or she is a member of a targeted group for purposes of any federal or state employer tax credit that may be operative.

.2 Cal-Learn Exclusion

- .21 The provisions of Section 42-711 shall not apply to individuals who are required to participate in, participating in, or exempt from, the Cal-Learn Program, as described in Sections 42-762 through 42-769.

<b>42-711</b>	<b>WELFARE-TO-WORK PARTICIPATION REQUIREMENTS</b>	<b>42-711</b>
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(Continued)

.3 Non-Cal-Learn 19-Year-Old Custodial Parents

.31 A 19-year-old custodial parent who has no high school diploma or equivalent and is not participating in Cal-Learn is required to participate in welfare-to-work activities only to earn a high school diploma or its equivalent.

.311 The CWD may determine that participation in education activities for the purpose of earning a high school diploma or equivalent is inappropriate for a 19-year-old custodial parent:

(a) On the basis of an evaluation, pursuant to Section 42-711.58, which indicates that, because of a learning disability or medical problem, the individual is unable to successfully complete or benefit from these educational activities; or

(b) If at appraisal, the parent is already in an educational or vocational program that is approvable as a SIP in accordance with Section 42-711.541.

.32 A 19-year-old custodial parent who has a high school diploma or equivalent is required to participate in welfare-to-work activities and is subject to all program requirements.

.4 Hours of Participation

.41 Adult in One-Parent Assistance Unit

.411 Unless exempt from participation, an adult recipient in a one-parent assistance unit shall participate each month in welfare-to-work activities for a minimum average per week of 32 hours.

.412 In no event shall the adult recipient participate in welfare-to-work activities less than the hours of participation required under federal law for the entire time period on aid, unless the individual is an exempt volunteer. (See Section 42-714.2.)

.42 Adult(s) in Two-Parent Assistance Unit

.421 Unless exempt from participation, an adult recipient in a two-parent assistance unit whose basis for aid is unemployment shall participate each month for an average of at least 35 hours per week in welfare-to-work activities that will meet the hours of participation required under federal law.



<b>42-711</b>	<b>WELFARE-TO-WORK PARTICIPATION REQUIREMENTS</b>	<b>42-711</b>
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.638 If an activity to be provided under the welfare-to-work plan is not immediately available to the participant, he or she shall be assigned to job search and/or job readiness activities until the education or training activity designated in the plan is available.

- (a) Job search activities are subject to the limits described in Section 42-711.53.

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- (b) The number of weeks during which an individual's participation in job search and job readiness activities will count toward meeting the federal work participation rates is limited by federal law. See Section 42-714.3(f).

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.7 Reappraisal

.71 The CWD shall conduct a reappraisal of any participant who does not obtain unsubsidized employment upon completion of all activities in his or her welfare-to-work plan, unless the participant has reached the 18- or 24-month time limit. The reappraisal shall evaluate whether there are extenuating circumstances, as defined by the CWD, that prevent the participant from obtaining employment within the local labor market area.

.711 If the CWD determines that extenuating circumstances exist, the participant shall be assigned to additional activities consistent with the reappraisal.

.712 If extenuating circumstances do not exist, and until the CWD reverses this determination or the participant reaches the 18- or 24-month time limit, the participant is required to participate for the required minimum hours in activities that are limited to the following:

- (a) Unsubsidized employment.
- (b) Work experience as defined in Section 42-701.2(w)(1).
- (c) Self-employment.
- (d) Job skills training directly related to employment.
- (e) Mental health, substance abuse, and/or domestic abuse services in accordance with Sections 42-716.5, 42-716.6, and 42-716.111(q), respectively.

.8 Satisfactory Participation

42-711	<b>WELFARE-TO-WORK PARTICIPATION REQUIREMENTS</b> (Continued)	42-711
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.81 The criteria for satisfactory participation in an assigned education or training activity include regular attendance and satisfactory progress. A participant who fails or refuses to comply with program requirements for participation in the activities assigned pursuant to Section 42-711, and whose failure to make satisfactory progress is not due to a learning or medical problem, shall be subject to compliance and sanction requirements in accordance with Sections 42-721.2 and .4, respectively.

.811 The CWD or the service provider shall inform the participant of the standards for meeting the regular attendance and satisfactory progress requirements for the program to which they are assigned.

.9 Community Service After Time Limits

.91 The participant shall remain eligible for aid only if he or she works in unsubsidized employment and/or participates in community service, including grant-based OJT and activities required under Section 42-711.93, .94, and .95, to meet the required minimum hours in accordance with Section 42-711.4 if:

.911 The participant has reached the 18-month time limit (and exhausted any extension granted) or the 24-month time limit, as applicable;

.912 The participant has not found unsubsidized employment sufficient to meet the required minimum hours of participation; and

.913 The CWD has certified that no job is currently available for the participant, in accordance with Section 42-710.5.

.92 For participants who have reached the 18- or 24-month time limits, the CWD shall provide community service activities and provide supportive services as described in Section 42-716.4. The changes to the activities and supportive services shall be reflected in an amended welfare-to-work plan.

.921 A participant may take part in community service activities until he or she has received aid for a total of 60 months.

.93 Participants whose assistance units include food stamp recipients shall participate in unpaid community service activities for the number of hours each month that is the lesser of the two following equations:

.931 The number of hours required by Section 42-711.4, less the number of hours spent in unsubsidized employment and grant-based OJT; or,

42-711	<b>WELFARE-TO-WORK PARTICIPATION REQUIREMENTS</b> (Continued)	42-711
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- .932 The number of hours, determined collectively for the assistance unit, equal to the CalWORKs assistance unit's grant plus the assistance unit's portion of the food stamp allotment divided by the higher of the state or federal minimum wage. If all or a portion of the CalWORKs assistance unit's grant has been diverted to an employer pursuant to Section 42-701.2(g)(2) and Section 42-716.111(f), only that portion, if any, received as a grant and the assistance unit's portion of the food stamp allotment shall be used in this calculation.
- .94 Participants whose assistance units do not include food stamp recipients shall participate in unpaid community service activities for the number of hours each month that is the lesser of the two following equations:
  - .941 The number of hours required by Section 42-711.4, less the number of hours spent in unsubsidized employment and grant-based OJT; or,
  - .942 The number of hours, determined collectively for the assistance unit, equal to the grant received by the CalWORKs assistance unit divided by the higher of the state or federal minimum wage. If all or a portion of the CalWORKs assistance unit's grant has been diverted to an employer pursuant to Section 42-701.2(g)(2) and Section 42-716.111(f), only that portion, if any, received as a grant shall be used in this calculation.
- .95 Participants whose hours of participation in unpaid community service activities are determined pursuant to Section 42-711.932 or .942 and do not meet the participation requirement specified in Section 42-711.4 shall participate in other welfare-to-work activities for the additional number of hours necessary to satisfy the participation requirement.
- .96 Any individual required to participate in a community service activity who fails to comply with program requirements without good cause shall be sanctioned in accordance with Section 42-721.4.
- .97 See Section 42-710.31 for circumstances under which the CWD may require the individual to participate in welfare-to-work activities other than community service.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 11253.5(b), 11320.1, 11320.15, 11320.3, 11322.6, 11322.8, 11322.9, 11324.8(a) and (b), 11325.2, 11325.21, 11325.22, 11325.23(a), (b), (c), (e), and (f), 11325.25, 11325.4, 11325.5, 11325.6, 11325.7, 11325.8, 11326, 11327.4, and 11454(a), Welfare and Institutions Code; 42 U.S.C. 607(c)(1)(A), (c)(1)(B)(ii), and (c)(2)(A)(i) ; 7 U.S.C. 2029(a)(1); 7 U.S.C. 2035; U.S. Department of Labor guidance on FLSA, with attached U.S.D.A., Food and Nutrition Service (FNS) guidance on an SFSP, dated May 22, 1997; and Simplified Food Stamp Program approval letters from FNS to implement the provisions of an SFSP, dated May 5, 2000 and August 3, 2000.

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<b>42-712</b>	<b>EXEMPTIONS FROM WELFARE-TO-WORK PARTICIPATION</b>	<b>42-712</b>
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- .1 Every individual is required to participate in welfare-to-work activities as a condition of eligibility for cash aid under CalWORKs, unless exempt in accordance with Sections 42-712.41 through .49 or excused from participation as specified in Section 42-712.11 or .12:
  - .11 An individual who is required to participate in, is participating in, or is exempt from, the Cal-Learn Program described in Sections 42-762 through 42-769. These individuals are subject to Cal-Learn Program requirements in lieu of the welfare-to-work requirements, while the Cal-Learn Program is operative.
  - .12 A second parent in a two-parent assistance unit, whose basis for aid is unemployment, who is not required to participate in welfare-to-work activities because the first parent is meeting the required participation hours described in Section 42-711.42.
- .2 Exemptions specified in Sections 42-712.41 through 42-712.48 shall not apply to individuals who are required to participate in, are participating in, or are exempt from, the Cal-Learn Program described in Sections 42-762 through 42-769.
- .3 Recipients are required to provide the documentation that is necessary to substantiate any claim to an exemption.
  - .31 CWDs shall advise recipients about the range of documents that is acceptable to verify exemption.
- .4 Individuals who meet any of the criteria specified in Sections 42-712.41 through 42-712.49 are exempt from participating in welfare-to-work activities as a condition of eligibility for cash aid under CalWORKs for so long as the condition(s) described in such sections exist.

<b>42-712</b>	<b>EXEMPTIONS FROM WELFARE-TO-WORK PARTICIPATION</b>	<b>42-712</b>
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.41 Exemption Based on Age Under 16

- .411 A child under 16 years of age is exempt from participating in welfare-to-work activities.

.42 Exemption Based on School Attendance

- .421 An individual 16, 17, or 18 years of age is exempt from welfare-to-work participation when he/she is attending full-time, a school in grade twelve or below, or vocational or technical school. An individual who is 16 or 17 years old or a custodial parent who is under 20 years old described in Section 42-711.3 and whose required welfare-to-work activity is to attend school shall not requalify for the exemption in this section by attending school as a required welfare-to-work activity, in accordance with Section 42-719.

- (a) A full-time program shall be as defined by the school.

.43 Exemption Based on Age 60 or Older

- .431 An individual who is 60 years of age or older is exempt from participating in welfare-to-work activities.

.44 Exemption Based on Disability

- .441 An individual who has a disability is exempt from welfare-to-work participation when the following conditions exist:

- (a) The disability is expected to last of at least 30 calendar days; and
- (b) The disability significantly impairs the individual's ability to be regularly employed or participate in welfare-to-work activities.

- .442 To qualify for this exemption, the individual shall do all of the following:

- (a) Provide verification from a doctor as defined in Section 42-701.2(d)(2) that includes the disability, the expected duration of the disability, and the extent to which the disability impairs employment and/or participation in the welfare-to-work activities; and
- (b) Actively seek appropriate medical treatment, as verified by a doctor as defined in Section 42-701.2(d)(2).

- .443 The exemption may be reviewed at the time the condition is expected to end, or sooner if there is reason to believe that there has been a change in the condition.

<b>42-715</b>	<b>DOMESTIC ABUSE PROTOCOLS AND TRAINING STANDARDS</b>	<b>42-715</b>
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NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11495, 11495.1, 11495.15, 11495.25 and 11495.40, Welfare and Institutions Code.

<b>42-716</b>	<b>WELFARE-TO-WORK ACTIVITIES</b>	<b>42-716</b>
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- .1 Upon the completion of job search activities, or a determination that those activities are not required as an initial activity, the participant shall be assigned to one or more welfare-to-work activities as needed to obtain employment.
- .11 The welfare-to-work plan described at Section 42-711.6 shall include welfare-to-work activities.
  - .111 Welfare-to-work activities may include, but are not limited to, any of the following:
    - (a) Unsubsidized employment.
    - (b) Subsidized private sector employment.
    - (c) Subsidized public sector employment.
    - (d) Work experience, as defined in Section 42-701.2(w)(1).
      - (1) Unpaid work experience shall be limited to 12 months, unless the CWD and the welfare-to-work participant agree to extend this period by an amendment to the welfare-to-work plan. The CWD shall review the work experience as appropriate.
        - (A) At the time of the assignment to the work experience activity, the CWD shall identify the job skill(s) to be developed or enhanced. The CWD shall review the work experience activity as necessary to determine the participant's progress toward reaching the training goal.
        - (B) Revisions to the welfare-to-work plan shall be made as necessary to ensure that the work experience assignment continues to be consistent with the participant's plan and is effective in preparing the participant to obtain employment.

<b>42-716</b>	<b>WELFARE-TO-WORK ACTIVITIES</b>	<b>42-716</b>
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- (2) Hours of participation in work experience shall be limited as follows:
  - (A) Participants in work experience activities whose assistance units include food stamp recipients shall participate in these activities for no more than the number of hours each month, determined collectively for the assistance unit, equal to the CalWORKs assistance unit's grant plus the assistance unit's portion of the food stamp allotment divided by the higher of the state or federal minimum wage.
  - (B) Participants in work experience activities whose assistance units do not include food stamp recipients shall participate in these activities for no more than the number of hours each month, determined collectively for the assistance unit, equal to the CalWORKs assistance unit's grant divided by the higher of the state or federal minimum wage.
- (e) On-the-job training (OJT).
- (f) Grant-based OJT, as defined in Section 42-701.2(g)(2) and pursuant to Section 42-716.8.



<b>42-716</b>	<b>WELFARE-TO-WORK ACTIVITIES</b>	<b>42-716</b>
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- (g) Supported work or transitional employment as defined in Section 42-701.2(s)(3), and pursuant to Section 42-716.8, except that only the grant or the grant savings can be diverted to the employer.
- (h) Work study.
- (i) Self-employment.
- (j) Community service as defined in Section 42-701.2(c)(3).
  - (1) Hours of participation in unpaid community service prior to the time limit specified in Section 42-710 shall be limited as follows:
    - (A) Participants in unpaid community service activities whose assistance units include food stamp recipients shall participate in these activities for no more than the number of hours each month, determined collectively for the assistance unit, equal to the CalWORKs assistance unit's grant plus the assistance unit's portion of the food stamp allotment divided by the higher of the state or federal minimum wage.
    - (B) Participants in unpaid community service activities whose assistance units do not include food stamp recipients shall participate in these activities for no more than the number of hours each month, determined collectively for the assistance unit, equal to the CalWORKs assistance unit's grant divided by the higher of the state or federal minimum wage.
  - (2) Hours of participation in unpaid community service after the time limit specified in Section 42-710 shall be determined in accordance with Section 42-711.93 or .94.
- (k) Adult basic education as defined in Section 42-701.2(a)(1).
  - (1) Participants shall be referred to appropriate service providers that include, but are not limited to, educational programs operated by school districts or county offices of education that have contracted with the superintendent of public instruction to provide services to the participant, pursuant to Section 33117.5 of the Education Code.

42-716	<b>WELFARE-TO-WORK ACTIVITIES</b> (Continued)	42-716
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- (l) Job skills training directly related to employment.
  - (m) Vocational education and training including, but not limited to, college and community college education, adult education, regional occupational centers, and regional occupational programs.
    - (1) Any child care provider job training that is funded by either the State Department of Education or the California Department of Social Services shall include information on becoming a licensed child care provider.
  - (n) Job search and job readiness assistance as defined in Sections 42-701.2(j)(2) and (3).
  - (o) Education directly related to employment.
  - (p) Satisfactory progress in a secondary school or in a course of study leading to a certificate of general educational development, in the case of a recipient who has not completed secondary school or received such a certificate.
  - (q) Mental health (see Section 42-716.5), substance abuse (see Section 42-716.6), and domestic abuse services (see Section 42-713.221) that are necessary to obtain and retain employment.
  - (r) Other activities necessary to assist an individual in obtaining unsubsidized employment.
  - (s) Participation required of the parent by the school to ensure the child's attendance, in accordance with Section 42-711.632(a).
- .2 Assignment to an educational activity identified under Sections 42-716.111(k), (m), (o), and (p) is limited to those situations in which the education is needed to become employed.
- .3 Every CWD shall provide an adequate range of the activities described in Section 42-716.111 to ensure each participant's access to needed activities and services to assist him or her in seeking employment, to provide education and training the participant needs to find self-supporting work, and to arrange for placement in paid or unpaid work settings that will enhance a participant's ability to obtain unsubsidized employment.

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	(Continued)	

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- .612 When an individual is determined to have a substance abuse problem, based on an evaluation by the county alcohol and drug program or a state-licensed or certified nonprofit agency, the case manager shall develop the participant's welfare-to-work plan based on the results of that evaluation. In such a case, the individual's welfare-to-work plan may include appropriate treatment requirements, including assignment to a substance abuse program.
- .613 When a participant's welfare-to-work plan includes assignment to a treatment program, the case manager may determine that the participant is out of compliance with the welfare-to-work plan if, at any time in consultation with the substance abuse treatment provider, the county determines that the participant has failed or refused to participate in a treatment program without good cause. The assigned treatment program shall be reasonably accessible within the county of residence or a nearby county.
- .614 When a case manager determines that a participant in a treatment program as specified in his or her welfare-to-work plan is out of compliance with a program requirement other than participation in a required treatment program, the determination of whether the participant has good cause to be out of compliance shall include consideration of whether the participant's substance abuse problem caused or substantially contributed to the failure to comply with the program requirements. In this determination, the county must consult the substance abuse treatment provider as appropriate.
- .615 No recipient may participate in a substance abuse treatment program for longer than six months without concurrently participating in a welfare-to-work activity, to be determined by the county and the recipient, in consultation with the treatment provider.
- (a) If the recipient is in a state-licensed residential facility or a certified nonresidential substance abuse program that requires him or her to stay at the program site for a minimum of three hours a day, three days per week, or otherwise not to participate in nonprogram activities, the requirements of the treatment program shall fulfill the recipient's welfare-to-work activity requirement.
- .62 Each county shall report annually to the state the number of CalWORKs Program recipients who receive substance abuse treatment and the extent to which the allocation is sufficient to meet the need for substance abuse services as determined by the county.

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.7 Job Openings

- .71 The employer or sponsor of an employment or training position specified in Section 42-716.111 shall assist and encourage qualified participants to apply for job openings in the sponsor's organization.
- .72 Participants assigned to public agencies shall be allowed to compete in classified service examinations equivalent to the positions they occupy, and all open and promotional examinations for which experience in the job or other relevant experience qualifies under merit system rules.
- .73 A participant's time worked in a position shall apply toward seniority in a merit public agency position, only to the extent permitted under federal or state law, local ordinance, or collective bargaining agreement.

.8 Grant-based OJT

- .81 The CWD shall assign a recipient to a grant-based OJT funded position only if the individual voluntarily consents in writing to the diversion of her/his grant to an employer as a wage subsidy. The written consent shall include, but is not limited to, the following:
  - .811 A statement that the recipient's assignment to grant-based OJT is voluntary and the CWD shall take no action against the individual for refusing to agree to be assigned to a grant-based OJT funded position.
  - .812 Notification that the participant is subject to sanction pursuant to Section 42-721, if she/he fails to comply with the requirements of the grant-based OJT assignment without good cause.
  - .813 A statement that the participant's net income from grant-based OJT may be less than the participant's current grant payment.
  - .814 The worksite(s) and job duties, the duration of the grant-based OJT assignment, hours of employment, hourly wage, and any available benefits.
  - .815 The good cause criteria specified in Sections 42-713 and 42-721.3.
  - .816 An agreement by the participant acknowledging the participant's obligation to return to the CWD any recovered wages up to the amount of the corrective underpayment paid pursuant to Section 42-716.852.

<b>42-716</b>	<b>WELFARE-TO-WORK ACTIVITIES</b>	<b>42-716</b>
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- .82 The CWD shall provide grant-based OJT funded community service positions, pursuant to Sections 42-711.9 and 42-716.4, only if the community service component of the county CalWORKs plan specifies the process by which the CWD will comply with the voluntary consent requirement and lists the languages, other than English, in which written consent will be obtained.
- .83 The participant's diverted cash grant and grant savings shall be used by the employer for the sole purpose of subsidizing the participant's wages.
- .831 Any portion of a participant's wage that is funded by the diversion of the recipient's cash grant and/or grant savings to the employer shall not be entitled to the income disregards specified in Section 44-111.23.
- .832 Any portion of the grant-based OJT participant's wages that are not derived from the participant's diverted grant and/or grant savings shall be subject to the income disregards specified in Section 44-111.23, however, the resulting grant and grant savings may be diverted to the employer.
- .84 After the participant has reached their 18- or 24-month limit as specified in Section 42-710, the subsidy provided to the employer by the CWD shall be limited to the amount of the participant's diverted grant and/or grant savings.
- .841 Nothing in this Section 42-716.84 shall preclude an employer from using its own funds to pay a portion of the participant's wages.
- .85 The CWD shall administer grant-based-OJT funded positions in a manner that minimizes any break in income received by the participant as a grant, or as a wage subsidized by the diverted grant and/or grant savings upon entry into, during, or upon exit from the assignment.
- .851 Notwithstanding any other provision of Sections 44-313.1 and .2, the AU's monthly aid grant shall be prospectively budgeted as specified in Section 44-313.11 during the grant-based OJT placement. The prospective budgeting period shall begin in the month the participant is expected to receive her/his first grant-based subsidized wages and for the two months after the assignment ends.
- .852 When there is any break in income for a grant-based OJT participant caused by an employer's conduct or the participant's inability or failure to work her/his scheduled hours with or without cause, the CWD shall ensure that a recipient receives 100 percent of the maximum aid grant payment for which she/he is otherwise eligible, less the gross amount of the grant-based wages and any other non-exempt income received by the participant. The payment shall be made as a corrective underpayment.

42-716	WELFARE-TO-WORK ACTIVITIES (Continued)	42-716
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- (a) If the participant's total gross wages paid in a month are less than the total amount of the diverted grant for that month, a corrective underpayment shall be issued in accordance with Section 44-340. This corrective underpayment shall be equal to the difference between the amount of the gross wages paid to the recipient and the amount of the grant diverted for the month.
    - (1) The participant shall return to the CWD the amount of unpaid wages that are recovered from the employer and for which the CWD issued a corrective underpayment.
  - (b) The CWD shall collect from the employer any amount of the grant and/or grant savings diverted to the employer that was not paid as wages to the recipient.
- .86 Wages derived from the diverted grant and/or grant savings and paid to a participant pursuant to this section shall not be considered as income in any determination of financial eligibility for the CalWORKs program.
- .87 The CWD shall not place grant-based OJT participants with an employer unless the employer agrees, at a minimum, to all of the following:
- .871 To use the diverted grant solely for subsidizing the participant's wage and to return to the CWD any of the grant and/or grant savings received that are not paid as wages to the participant.
  - .872 Not to displace current employees with grant-based OJT participants pursuant to Section 42-720.1.
  - .873 To comply with the labor union and employee notification requirements specified in Section 42-720.3.
  - .874 To comply with all applicable federal and state labor laws and regulations.
  - .875 That the employer's participation in grant-based-OJT funded job placements may be cancelled pursuant to Section 42-716.881.
- .88 The CWD shall monitor the retention of participants as employees by employers participating in grant-based OJT.

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(Continued)

- .881 The CWD shall cancel participation of employers who demonstrate, over a period of time, either of the following:
- (a) An unwillingness to hire recipients who participated in grant-based OJT with such employers.
  - (b) An inability to provide the participant with the job skills to obtain unsubsidized employment with other employers.
- .882 The CWD shall collect and maintain such records as are necessary to verify participating employer's retention of participants or subsequent unsubsidized employment with other employers.
- .89 Any participant in a grant-based OJT-funded position, who fails or refuses to comply with program requirements without good cause shall be sanctioned in accordance with Section 42-721.4.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 11253.5(b), 11320.3(b)(2), 11322.6, 11322.61, 11322.7, 11322.8, 11322.9(a), (b), (c), (d)(6), (e), and (f), 11324.4, 11325.22(b)(1), 11325.7(a), (c), (d), 11325.8(a), (c), (d), and (f), 11327.5, 11451.5, and 11454(a), Welfare and Institutions Code; and Section 8358(c)(2), Education Code; 7 U.S.C. 2029(a)(1); 7 U.S.C. 2035; U.S. Department of Labor guidance on FLSA, with attached U.S.D.A., Food and Nutrition Service (FNS) guidance on an SFSP, dated May 22, 1997; and Simplified Food Stamp Program approval letters from FNS to implement the provisions of an SFSP, dated May 5, 2000 and August 3, 2000.

<b>42-717</b>	<b>JOB RETENTION SERVICES</b>	<b>42-717</b>
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- .1 If provided in a county plan and if a recipient or former recipient is employed, the CWD may continue to provide case management, services, and supportive services to either a recipient of aid under CalWORKs not participating under welfare-to-work or a former recipient of CalWORKs who has received aid within the previous 12 months.
- .2 The CWD may provide these services for up to the first 12 months of employment or from the first day after termination from aid due to employment or increased earnings to the extent that these services are:
  - .21 not provided by the employer, the entity that arranged the job placement, if other than the county;
  - .22 not available from other sources;
  - .23 needed for the individual to retain employment, or needed to advance to new employment that may provide greater income or better benefits.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 11323.2(b) and 11500, Welfare and Institutions Code.



<b>44-105</b>	<b>DIFFERENTIATION OF PROPERTY AND INCOME (Continued)</b>	<b>44-105</b>
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.33 The portion of the payment which compensates for converted property shall be treated in accordance with Section 42-213.

.34 Any remainder shall be treated in accordance with Section 44-113.

<b>44-111</b>	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME</b>	<b>44-111</b>
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.1 The Exclusions and Exemptions and the Applicable Programs are Discussed Below

Federal and state statutes exclude or exempt certain types of payments or benefits in whole or in part from consideration as income. These exclusions and exemptions vary widely between programs. However, the federal statutes also provide that any income to an individual which is disregarded in determining his eligibility under the provisions of one categorical aid program, shall not be taken into consideration in determining the eligibility and/or the amount of assistance paid to a recipient receiving aid under another categorical aid program.

.2 Exemption of Earned Income

(See Section 44-101.5 for the definition of earned income.)

.21 Job Training Partnership Act (JTPA) - Earned Income of a Child

.211 All earnings of a child (see Section 42-101 for age requirement) which are derived from participation in JTPA programs shall be disregarded from consideration as income for both eligibility and grant determinations.

.212 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

.22 Student Exemption

.221 All earned income of a child under 19 years old is exempt if:

- a. He/she is a full-time student, or
- b. He/she has a school schedule that is equal to at least one-half of a full-time curriculum, and he is not employed full time.

.222 For purposes of this exemption the following definitions apply:

- a. School attendance is defined as attendance in a school, college, university, or in a course of vocational or technical training designed to fit the child for gainful employment and includes a participant in the Job Corps program under the Economic Opportunity Act.

44-111	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)</b>	44-111
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- b. Part-time employment is defined as less than 173 hours per month.
- .223 The student exemption applies to full- or part-time earnings between school terms or during vacation periods, if the child plans to continue to be a student next term or when the vacation period ends.
- .224 This exemption is applied:
  - a. For financial eligibility purposes, to the earnings of full-time student applicants and recipients and part-time student recipients. This exemption does not apply to earnings of a part-time student applicant. See Section 44-207.321.
  - b. For purposes of grant determination whether or not the student has received aid previously.
- .23 \$225 and 50% Disregards
  - .231 A family shall have \$225 of disability-based unearned income or any earned income and 50% of any remaining earned income disregarded as income. These disregards are applied as follows and subject to the method outlined in Section 44-113.2. If the disability-based unearned income is:
    - (a) Greater than \$225, the difference is added to any other nonexempt income.
    - (b) Less than \$225, the remainder of the disregard is subtracted from any earned income.
    - (c) Zero, the \$225 is applied against any earned income.
  - .232 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.
  - .233 Wages derived from a diverted grant and/or grant savings and paid to CalWORKs recipients who are participants in the grant-based OJT programs specified in Sections 42-716.111(f) and (g) shall not be eligible for the \$225 and 50 percent earned income disregard.
- .24 College Work Study Programs

Earned income from any college work study program is exempt. This exemption is applied for both eligibility and grant determination whether or not the student has received aid previously.

<b>44-111</b>	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)</b>	<b>44-111</b>
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- j. PL 101-201 and PL 101-239 which exempt payments received from all Agent Orange settlements.
- k. PL 101-426 which exempts payments received under the Radiation Exposure Compensation Act.
- l. PL 101-508 which exempts Earned Income Credit (EIC) payments.
- m. PL 103-286 which exempts payment received as restitution made to victims of Nazi persecution.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11008.15, 11280, 11322.6(f)(3), 11157, 11450.12, 11451.5, and 11451.7, Welfare and Institutions Code; 42 USC Section 602(g)(1)(E)(i); Section 8, Public Law 93-134; Section 2, Public Law 98-64; Section 13736, Public Law 103-66; Section 1, Public Law 100-286, Section 202(a), Public Law 100-485 and 20 USC 1087uu; 45 CFR 233.20(a)(3)(iv)(B), (a)(3)(xxi), 45 CFR 233.20(a)(4)(ii); (a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p) and (q); 45 CFR 233.20(a)(11)(v)(C); 45 CFR 255.3(f)(1); Federal Action Transmittals ACF-AT-94-27 and 94-4 and FSA-IM-89-1.

<b>44-113</b>	<b>NET INCOME</b>	<b>44-113</b>
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.1 Property

Net income from property (including that from property in which a life estate is held), produce or business enterprises is determined by deducting from gross income all normal items of expenses incident to its receipt. Principal payments on encumbrances are not considered a necessary item of expense. If property is sold, the interest portion of any payment received is income.

Interpretation -- Net income from property, crops and livestock is computed as follows:

Source	Computation
a. Rental of real property including that in which life estate held.	<p>Deduct from gross rental the following expenses incident to receipt:</p> <ol style="list-style-type: none"> <li>1. Taxes and assessments.</li> <li>2. Interest on encumbrance payments (do not deduct principal payments).</li> <li>3. Insurance.</li> <li>4. Utilities.</li> <li>5. Upkeep and major repairs.</li> </ol>

44-113	NET INCOME (Continued)	44-113
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If a complete dwelling unit is rented the county after consultation with the recipient (a) deducts the amount actually expended each month for upkeep and repairs; or (b) deducts 15% of the gross monthly rental plus \$4.17 a month.

Note: The above expenses are prorated on the same periodic basis as the periodic basis on which the rental is received (i.e., annually, quarterly, monthly, etc.). Multiply rental income received weekly by 4-1/3 to get monthly income.

Note: Under the ordinary life estate agreement, the life tenant is entitled to the use and/or income from the property and is responsible for the usual costs of ownership such as taxes, insurance, upkeep, etc. However, if the life estate agreement stipulates the remainderman is responsible for certain expenses, such payments do not represent income to the life tenant.

b.	Rental of rooms and Room and Board	See Section 44-113.212 for computing self-employment net income.
c.	Sale of real property under contract of sale, title not passing.	The interest received is net income (principal payments represent conversion of property from real to personal property). Deduct any interest payments on prior encumbrances in determining net income from interest received from sale of real property under contract of sale.
d.	Personal property (rental of trucks, equipment, etc.)	Deduct from gross rental all expense necessary to maintenance, etc.
e.	Personal property (interest on money, stocks, bonds, etc.)	All interest received is net income, except interest on savings accounts as provided in W&IC 11009.